THE
Dan Smoot Report

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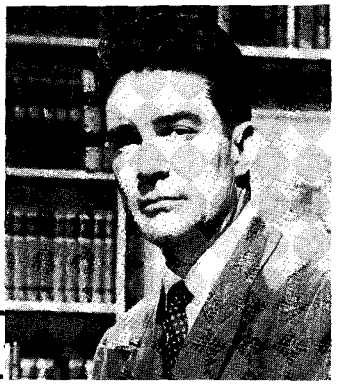

DAN SMOOT

HOW TO LOSE FRIENDS

In a press conference on January 24, 1963, President Kennedy said:

"The Communist apparatus controls more than one billion people, and it daily confronts Europe and the United States with hundreds of missiles, scores of divisions, and the purposes of domination. The reality of power is that the resources essential to defense against this danger are concentrated overwhelmingly in the nations of the Atlantic Alliance. In unity, this Alliance has ample strength to hold back the expansion of Communism. . . . Acting alone, neither the United States nor Europe could be certain of success and survival."

Less than two weeks later, these stories were making headlines throughout the world:

"In a world that seems suddenly to be coming unglued, President Kennedy faces the prospect of having to make some agonizing decisions in the next few weeks. . . . Kennedy will very likely have to decide soon whether it is necessary to undertake measures of reprisal because of De Gaulle's open break with the allies over the future economic, political, and military organization of the Atlantic Alliance" — John M. Hightower, Associated Press dispatch from Washington, February 4, 1963;

"Almost everyone agrees that U. S. intervention in the Canadian nuclear debate not only created the most serious rift between the two countries in modern times, but virtually assured that anti-Americanism would become a prime issue in the next general election" — Max Harrelson, Associated Press dispatch from Ottawa, February 3, 1963.[1]

Here, once again, is dramatic proof of the tragic stupidity of American foreign policy. Since the end of World War II, the political leaders of America have assumed that America has enough strength to carry the world on her back, but that she does not have enough strength to stand alone.

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Assuming that we can no longer defend our own nation, our leaders have spent staggering sums of tax money to build a "free world alliance" which is, and always will be, as weak as the weakest member in the alliance. The security of the American nation is dependent on the whims, ambitions, and greed of foreign politicians who, far from being answerable to American taxpayers, increase their own power by denouncing the United States.

Furthermore, our efforts to aid other nations and to make them strong members of our "free world alliance" have caused almost universal hatred and resentment of America — even among nations which were traditionally our best and closest friends: witness, Canada.

We alienated the Netherlands by forcing them to surrender their East Indian possessions — which became the pro-communist (if not outright communist) nation of Indonesia. More recently (1962), we deepened the injury by our part in forcing the Netherlands to surrender New Guinea to Indonesia.

Australia is disturbed and angry at us because of this New Guinea deal.

Our State Department has primary responsibility for converting Cuba from a friendly nation into an enemy nation. In forcing the downfall of Trujillo in the Dominican Republic, we eliminated the last strong friend we had in the Caribbean area.

The alienation of France now seems complete; and, in West Germany, the growing resentment of American intervention in internal affairs threatens to eliminate that nation from the ranks of nations "friendly" to the United States.

Cambodia resents us because of the arms we give to Thailand; and Thailand resents us because of arms we give to Cambodia. Pakistan resents us because of the aid we give to India; and India resents us because of the aid we give to Pakistan.

It is the same all over the world. Foreign governments accept our military aid, not to help "defend the free world against communism" but to support their own tyranny over their own people and to strengthen themselves against their neighbors, who are also accepting our military aid as members of our "free world alliance."

Our military aid to foreign nations not only puts us in the ridiculous position of engaging in an armaments race with ourselves: it puts all of our "allies" into an armaments race with each other, with us financing both sides.

We have alienated Portugal by our United Nations stand with regard to Portuguese Angola in Africa; and we have alienated South Africa by backing the United Nations Resolution condemning South African policy on the race question.

The dastardly United Nations rape of Katanga — which we have financed and supported without stint — has not only eliminated Katanga as a friend of America but must have caused hatred of us throughout Africa. United Nations forces bombed hospitals, homes, industrial plants, and schools in Katanga. United Nations troops (which included uncivilized Ghurkas from India and savage tribesmen from Ethiopia) committed indescribable atrocities against women, children, missionaries, doctors, and other civilians in Katanga. Meanwhile, Congolese troops — drawing their pay at the expense of American taxpayers — roamed the country in lawless, drunken bands, raping, killing, and pillaging.[2]

One aspect of our "United Nations policy" in the Congo, not reported in the American press, has been revealed by South African newspapers.

The January 6, 1963, edition of the Johannesburg *Sunday Times* printed an interview with Mr. E. M. Schollij, a South African who served for a year in the Katangese military intelligence before he was captured and later released by United Nations troops.

Schollij reported that the United Nations forces in the Congo — officers, troops and officials — are taking part in large-scale racketeering and blackmarketing in everything from Katangese gold to the flour sent over by UNESCO.

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Of the 1,200 tons of flour sent by UNESCO fortnightly for the starving Congolese, nearly all is sold by United Nations officials to Indian traders, Schollij stated; and he added that even United Nations doctors participated in the racketeering, selling medical supplies sent from abroad to combat the wide-spread disease in the Congo.

At a Goma airfield (in the Kivu province), Mr. Schollij saw a cargo of stolen Katangese gold which was flown in by Air Congo. He said:

"The new 'owners' of the gold were four Indian officers of the United Nations forces, a captain of the Malayan contingent and his sergeant-major."

Peru

In Peru, there is hurt and bewilderment on the part of intelligent, middle-class Peruvians at our failure to give full recognition to the new anti-communist dictatorship which has seized power there. I was in Lima in the middle of January, 1963. I talked to prominent Peruvian professional and businessmen, and others. Uniformly, they expressed fear about the social and political conditions there.

The heavy population of indigent and ignorant indians and mixed-breeds hangs like an albatross upon the neck of the nation. They will not work, although there is plenty of work available. Squatting in slums, in a land richly endowed with fertile soil and fabulous natural resources, they seem impervious to education or even to acceptance of rudimentary information about sanitation and decent living.

Yet, they have the vote and are easily inflamed by the agitation of communists and venal politicians who go among them in election years denouncing American capitalists and exploiters, while giving them handouts of food and drink, often purchased with American aid money.

The educated middle-class people I talked to in Lima welcomed the anti-communist dictatorship which put more than 800 communist agitators in jail and suspended the farcical "elections." They frankly admit that Peru is not yet ready for the kind of democratic society we have in the United States. They say that a strong, beneficent dictatorship is necessary for stability and safety in their nation — and will be for many years to come.

They know that we Americans despise dictatorships of all kinds. They admire us for that; and they envy us because we have already reached the level of social and political development which enables us to maintain a free society; but it bewilders them because we cannot understand that their problems are different. And our inconsistency hurts them. They see us give full recognition, and aid, to communist dictatorships, and cannot understand why we scorn their dictatorship which is pro-American and anti-communist.

These people do not really want aid from us. They want friendship and tolerant understanding of their efforts to work out their unique national problems in their own way. We give the aid, which obviously does more harm than good; and, with our diplomacy, we insist on meddling in their dangerously explosive domestic affairs.

Argentina

During the week of January 24, 1963, the Foreign Minister of Argentina was in the United States. Asked to comment on Argentina-United States relations, President Kennedy, during his January 24 press conference, said:

"The relationship has been good. . . . There is an International Monetary Fund group down there in Argentina now considering the Argentine's economic problems. We are watching that very closely, and we are analyzing when that study is completed what we can most usefully do to be of assistance to the Argentine."

Just five days before President Kennedy made that evaluation, I interviewed an official of the United States Embassy in Buenos Aires. After letting me know that he would deny anything I said if I identified him or quoted him directly, he said that Argentina is pres-

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ently making gestures of friendship toward America "because the Argentines are greedy." He said the Argentines will play up to anyone whom they think they can get something from; and, at present, they think their best prospect of getting something for nothing is by a show of friendship for the United States.

I arrived in Buenos Aires by airplane from Santiago, Chile. Shortly after take-off in Santiago, we crossed the crest of the mighty Andes; and for two hours after that, traveling at jet speed, I stared down at the magnificent Argentine pampas — the vast treeless plains that stretch from the Andes to the River Plate. Viewed from an airplane 30,000 feet high, the pampas look very much like the plains country of West Texas, New Mexico, and Arizona. But our plains country is arid, and the topsoil thin. In the Argentine pampas, the rich topsoil is eight feet thick, and rainfall is abundant. And we are giving them aid! Why?

Buenos Aires is at the mouth of the River Plate. The marvelous delta complex of that river includes literally thousands of islands, so rich in alluvial soil, so abundantly watered by nature, and so bathed with tropical sunshine that they (alone — without the great pampas) could produce enough food to feed not only all of Buenos Aires, but all of Argentina. And we are giving them aid! Why?

I asked the U.S. embassy official in Buenos Aires *why*. I asked the same question of resident American businessmen, of American missionaries, of Argentine businessmen, and of miscellaneous Argentines whom I was able to interview. From all, I got the same story: the Argentines do not want to work. They seem to have no patriotism. They are, for the most part, a well-educated, sophisticated, very cosmopolitan people of European extraction (mostly Spanish and Italian) who look upon the Argentine as a splendid place for pleasure and plunder.

Labor unions — set up by Peron, with special laws and governmental favoritism that put union bosses above the law (even more dangerously than our own federal laws put the Walter Reuthers and the James Hoffas above the law) — dominate the economy of Argentina.

The labor union rationale — that the objective of life is to get the most that you can with the least amount of effort — seems to have become the attitude of the nation. And this attitude keeps the Argentine from getting precisely what it needs — an influx of private, foreign capital to develop the rich natural resources.

The Kaiser Corporation does have a tremendous industrial operation in Argentina, made possible by American law designed to encourage the investment of American capital in foreign lands — largely at the expense of American taxpayers and American productivity. And what is the Argentine attitude toward Kaiser?

Here is a story, distributed by Copley News Service from Buenos Aires, and published by *The Dallas Morning News* on February 4, 1963:

"The confiscation of the Kaiser automobile factory by vengeful workers has dealt a crushing setback to Argentina's hopes for increased private investments from the United States.

"The workers, led by accused communists, took over the Kaiser plant at Cordoba this month after the company had announced plans to close the production line for 12 days because of declining sales. Ten thousand workers would have been laid off.

"The workers took 300 company officials as hostages, forced them to keep assembly lines operating, then put them in a paint shed and threatened to set it afire if Kaiser's top executives did not cancel the shutdown.

" 'With all those lives at stake, we had to do what the workers asked,' said a Kaiser executive.

"Since the seizure, which police made little effort to block, Kaiser officials have been negotiating with workers' representatives. An easing in the workers' demands is reported and a shutdown may be permitted to give Kaiser time to sell a backlog of 3,000 cars.

"Despite the talks, the damage has been done. U. S. firms are alarmed about their 750-million-dollar investment here and potential investors are steering away."

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On my way home from South America, I traveled part of the way with the representative of another major American corporation which had been doing business in Argentina. The company had shut down its operations, closed its warehouses, and ordered key American personnel back to the states — because of the impossibility of doing business in the Argentine. The corporation's representative said to me:

"There is a great need and a great demand for our products; but the Argentines whom we sell to don't want to pay for what they get; and the Argentines whom we hire don't want to work — even though we provide better working conditions and give much better wages than they can get from any Argentine firm."

Since 1946, the United States has given Argentina approximately 1 billion, 27 million, 300 thousand dollars in economic, military, and nonmutual security aid.[3]

Brazil

Here is an article from the October 19, 1962, issue of *The World*, a weekly newsmagazine published in Washington, D. C.:

"The United States Embassy in Rio de Janeiro had hardly announced Brazil's receipt of more than half a billion dollars in grants and loans under the Alliance [for Progress] program than President Kennedy was subjected to a hostile blast from communist and nationalist organs. . . .

"Since May, 1961, the U.S. Embassy in Rio noted, $636.5 million in grants and loans have been made to Brazil under the Alliance for Progress program, with another $58.3 million made available by the Inter-American Development Bank. Among the commitments recently was a $43 million wheat agreement.

"One of the developments causing unfavorable reaction to the Alliance program is the expropriation of the International Telephone and Telegraph Corporation plant in Rio Grande Do Sul, Brazil."

Leonel Brizola (the Governor of Rio Grande Do Sul), who seized these American properties, is openly pro-communist. Many well-informed persons believe him to be a communist. The telephone properties he seized were valued at eight million dollars (in an appraisal made jointly in 1960 by Brizola himself and by agents of the company). When seizing the properties, Brizola offered the company an indemnity of four hundred thousand dollars.

This caused a furore in Washington. Congress tacked a rider on the 1962 foreign aid bill, prohibiting aid to any country which expropriates United States property without just and prompt indemnity. This meant that no more foreign aid money could go to Brazil until a settlement was made.

In elections held in late 1962, Brizola's party was defeated in Rio Grande Do Sul; and the federal Brazilian government moved in to settle the dispute with IT&T — so that Brazil could continue to get aid from the United States.

On January 9, 1963, the State Department announced that the United States was making a special "loan" of 30 million dollars to the government of Brazil. It was obvious that this "loan" was made so that the Brazilian government could settle with IT&T — and have some left over.

On January 19, 1963, the Brazilian Foreign Ministry in Rio announced the "settlement" with International Telephone and Telegraph Company. Under the agreement, the government bank of Brazil will make a two million, 700 thousand dollar loan to the IT&T manufacturing subsidiary in Brazil — Standard Electrica Sociedade Anonima, pending final state court valuation of the seized properties.

When the evaluation is decided, the loan will become partial, or total, indemnification. The IT&T cannot take the money out of Brazil, however. Its Brazilian subsidiary must invest the money in Brazil, for the development of an electronic industry.

Five days after this deal was announced, I arrived in Brazil for an eight-day visit. Brazilians whom I talked to about it were cynically amused.

Confiscation of private American property in Brazil is now good business, with enormous

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profits guaranteed. The Brazilian government can seize American property. The American government will then give the Brazilian government (the gift disguised as a "loan") more than three times as much as it needs to make compensation. When compensation is made, the American firm cannot bring its money back to the States, but must reinvest it in Brazil — where it can be confiscated again.

One well-informed Brazilian told me that Brazilian politicians were deeply disturbed when the U.S. Congress cut off aid to Brazil, pending settlement of the IT&T deal. I asked him why. He said:

"Brazilian politicians use your Alliance for Progress money for their own 'progress.' They go into the squatters camps and put on big barbecues and parties with your money, and then make speeches denouncing the United States. That's the way they get the votes to keep themselves in power, so that they can get more of your money. I know you are happy to hear how your tax money is being used in Brazil."

United States aid to Brazil since 1946 totals approximately 3 billion, 193 million, 400 thousand dollars.[3]

Cuba

In his January 24, 1963, press conference, President Kennedy was asked whether there was "any truth" to the reports of a "Soviet military buildup in Cuba."

The President replied:

"No, we have been conducting continued surveillance. The best information we have is that one ship has arrived since the October crisis, which may have arms on it. . . . But there has not been a military buildup. . . . There is no evidence that the ship carried any offensive weapons. . . .

"There is no influx of military equipment, other than the ship; and, as I say, our scrutiny of Cuba is daily."

I was in Sao Paulo, Brazil, the day the President made that reassuring statement about Cuba. The next day, my guide — a Brazilian of Italian extraction, an ebullient, voluble little man who seemed to like Americans a great deal — showed me the news story, and translated portions of it from the Portuguese. He watched me with dismay, as I registered no reaction.

"You Americans are hard to understand," he said.

"Why?" I asked him.

"Why do you think Khrushchev has removed all those missiles from Cuba?" he asked.

"He promised our President," I explained.

"Have your people actually seen any of the missiles Khrushchev says he removed?" he asked.

"No," I explained. "Our blockade of Cuba was very polite. We did not board any ships or inspect any cargo. We just took the communists' word for what they hauled in and out of Cuba."

"Have the communists ever told you the truth?" he asked.

"No," I said.

He shrugged helplessly, and we rejoined our group for a gay ride to Santos.

The first newspaper I read, upon my return to the States, had a front-page headline saying:

"Cuba Buildup Danger Cited."

The story was a United Press International dispatch from Washington, published in the February 4, 1963, issue of *The Dallas Times Herald*. One paragraph in the story said:

"Edwin M. Martin, assistant secretary of state for inter-American affairs, said Sunday night it is possible that Soviet military strength in Cuba is 10 times what it was before the missile crisis last October."

The Dallas Morning News of February 4, 1963, had a story by Robert E. Baskin, who said:

"The full story is not yet in on Cuba. But enough information has been disclosed in the past few days to awaken real alarm over Russian intentions on the island. . . .

"There is no question that a sizeable force of Russian troops are in Cuba. [Senator Strom] Thurmond describes this force as the equivalent of a Soviet air army, with full army, navy, and air force complements. . . .

"The State Department estimates the Russian force at half of the Thurmond figure. . . . about division strength, the department says.

"This is enough of an admission to cause a reappraisal of our Cuban policy. One division, with supporting arms, is a potent military force.

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"The Russian troop presence virtually forecloses any future American or American-sponsored invasion of Cuba, since invasion opponents could well argue that Soviet involvement would be inevitable in the military action and could trigger all-out war.

"It would seem that Soviet Premier Nikita S. Khrushchev has again won a round of one-upmanship over the United States."

The UPI dispatch from Washington, published February 4, 1963, also said:

"The Administration was expected to issue an order today or Tuesday barring U. S. Government cargoes to shipowners whose vessels have traded with Cuba since January 1.... Britain, Norway, and Greece are among countries whose ships have sailed to Cuba."

In view of the fact that we have shipped tons of medical supplies and other strategic items to Cuba by air, in ransom for the Cubans whom we betrayed into Cuban prisons by our Bay of Pigs operation in 1961, our allies may wonder at our "cracking down" on their shipping; but they are probably already as bewildered by our government's behavior and official statements as my Sao Paulo guide is.

What Should We Do?

America is surely headed for disaster if we do not reverse our foreign policy: stop all foreign aid programs, stop meddling in the affairs of other nations, and concentrate on building our own national defenses and re-establishing a free economy in the United States.

If we had not given one penny in foreign aid to any nation since the end of World War II, America would today still be the most admired, respected, and beloved nation on earth.

If the staggering quantities of money, which have been confiscated from Americans for aid to other nations, had been left in the hands of the Americans who earned the money, our economy today would be so strong — so free of inflation and of the crushing burdens of federal debt and federal taxation — that there could be no question about our survival and continued growth as the most prosperous and productive nation in history.

If only 5% of the money which we have spent on aid to, and defense of, *foreign nations,* had been spent on genuine national defense, we would today be impregnable against any possible assaults — military or economic — from any power or combination of powers on earth.

Congressional Fund

by Mabeth E. Smoot

Recently, a valued friend and customer took us to task for our "inept" advertising methods: he said we do not know the first thing about "selling" the *Report.*

He cited our stiff-necked attitude about free enterprise. While expressing admiration for our spirit of independence, he maintained that we lose badly needed support because we never ask for it — thus leaving the impression that our organization is financed from some unknown source not available to others.

To embellish his point, our critic mentioned a prosperous patriot who, each year, sends substantial contributions to a number of patriotic organizations and publications. When we admitted that we have never been among the recipients, he was almost jubilant. "You see!" he said, "I happen to know that he admires your work more than that of others; but he is a busy man; and when he finally remembers your possible need, he has already made his annual contributions to the others who are not too proud to ask!"

We reminded our friend: a theme often repeated in this *Report* is an expression of the Editor's conviction that government serves the people best when it leaves them alone to the greatest degree possible. This was the theme of the Declaration of Independence. This "leave us alone" theme was more than a conviction expressed in the Constitution and Bill of Rights: it was a direct order!

Dedication to this principle of freedom has influenced the *Report* beyond its editorial policy: it is an important principle in our business policy as well. Since we believe in free enterprise, it follows that we should practice it. We want customers, not patrons. It is im-

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portant to us that our product is purchased for its value.

But our friend made a point: where, indeed, should we draw the line between professional advertising and soliciting? In our preoccupation with independence, have we closed the door to those who would like to give us business in their own way? While one customer can hardly read eleven copies of each *Report,* he might like to make ten subscriptions available, for us to distribute, to students, schools, libraries. Have we, as our friend implies, left the impression that we consider such contributions unacceptable?

Should we also have labored the need for distribution of important books (such as our annual Bound Volume, *The Hope of the World, The Invisible Government,* and *America's Promise)* to students and schools?

Possibly we have failed to repeat the obvious: the future of our country will remain in jeopardy until the fundamentals of freedom have been learned again by an active majority of the American people.

The job of helping to restore our constitutional Republic is enormous and exhausting, and victory is uncertain. But the fight for freedom has always been costly. Once, in our then backward land, fifty-six men pledged their lives, their fortunes, and their sacred honor to the cause of liberty. Today, are there fifty-six among us who would do as much?

Self-sacrifice is not a virtue we claim, and this *Report* is not published in martyrdom. It is published because its Editor thinks it *needs* to be published, and because he enjoys the job.

We do badly need your continued voluntary support, and we shall probably continue doing an inept job of telling you so. But once each year, we do remind you of a responsibility and financial load which we originally assumed because many of you thought it was important: that is, the expense of keeping all national Representatives and Senators on our permanent subscription list.

Some of you make annual contributions to our Congressional Fund (not tax-exempt, by the way) which was established so that you, who think all Representatives and Senators should receive this *Report,* can help bear the cost.

Again this year we will welcome your contribution to this Fund. But we wish to reassure those of you (and we know there are many) who are already doing as much as you can with limited funds: the weekly mailing of each *Report will be made,* during 1963, to every member of the national Congress, because we know that this service is important.

FOOTNOTES

(1) On January 30, 1963, while the Canadian Parliament was engaged in heated debate over the question of nuclear weapons for Canadian defense, our State Department issued a statement denouncing the position taken by John G. Diefenbaker, head of the Conservative Party and Prime Minister of Canada (State Department Press Release Number 59). Diefenbaker is opposed to accepting American nuclear weapons for Canadian military forces. Canadians were stunned at this arrogant intervention, by the United States, in a domestic Canadian political debate.

(2) "The Congo Crisis and the Need for Conciliation," speech by Senator Thomas J. Dodd, *Congressional Record,* August 3, 1962, pp. 14528-14546

(3) *Congressional Record,* August 6, 1962, pp. A5998, A5999

WHO IS DAN SMOOT?

Dan Smoot was born in Missouri. Reared in Texas, he attended SMU in Dallas, taking BA and MA degrees from that university in 1938 and 1940.

In 1941, he joined the faculty at Harvard as a Teaching Fellow in English, doing graduate work for the degree of Doctor of Philosophy in the field of American Civilization.

In 1942, he took leave of absence from Harvard in order to join the FBI. At the close of the war, he stayed in the FBI, rather than return to Harvard.

He worked as an FBI Agent in all parts of the nation, handling all kinds of assignments. But for three and a half years, he worked exclusively on communist investigations in the industrial midwest. For two years following that, he was on FBI headquarters staff in Washington, as an Administrative Assistant to J. Edgar Hoover.

After nine and a half years in the FBI, Smoot resigned to help start the Facts Forum movement in Dallas. As the radio and television commentator for Facts Forum, Smoot, for almost four years spoke to a national audience giving both sides of great controversial issues.

In July, 1955, he resigned and started his own independent program, in order to give only one side — the side that uses fundamental American principles as a yardstick for measuring all important issues.

If you believe that Dan Smoot is providing effective tools for those who want to think and talk and write on the side of freedom, you can help immensely by subscribing, and encouraging others to subscribe, to ***The Dan Smoot Report.***

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